

JS-6

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

BRETT M. BARTLETT, SCOTT A.
MILLER, DYNASTY TOYS, INC.,
THE 7M EGROUPO CORP.,
CONCEPT MANAGEMENT
COMPANY LLC, and DYNASTY,
INC.,

Defendants.

Case No. 8:23-cv-00765-CJC(JDEx)

**FINAL JUDGMENT AS TO
DEFENDANT BRETT M.
BARTLETT**

1 The Clerk entered default against Defendants Brett M. Bartlett, Scott A. Miller,
2 Dynasty Toys, Inc., The 7M eGroup Corp., Concept Management Company LLC
3 (“CMC”), and Dynasty, Inc. (collectively, “Defaulting Defendants”) for failing to
4 answer or otherwise respond to the Complaint. Dkt. Nos. 20-25. Plaintiff Securities
5 and Exchange Commission (“SEC” or “Commission”) moved for default judgment
6 against all Defendants (Dkt. No. 29), which the Court GRANTED. (Dkt. No. 35.)

7 I.

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that
9 Defendant Brett M. Bartlett is permanently restrained and enjoined from violating,
10 directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the
11 “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder
12 [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate
13 commerce, or of the mails, or of any facility of any national securities exchange, in
14 connection with the purchase or sale of any security:

- 15 (a) to employ any device, scheme, or artifice to defraud;
16 (b) to make any untrue statement of a material fact or to omit to state a
17 material fact necessary in order to make the statements made, in the light
18 of the circumstances under which they were made, not misleading; or
19 (c) to engage in any act, practice, or course of business which operates or
20 would operate as a fraud or deceit upon any person.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
22 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
23 binds the following who receive actual notice of this Judgment by personal service or
24 otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and
25 (b) other persons in active concert or participation with Defendant or with anyone
26 described in (a).

27 II.

28 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that

1 Defendant Bartlett is permanently restrained and enjoined from violating Section
2 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the
3 offer or sale of any security by the use of any means or instruments of transportation
4 or communication in interstate commerce or by use of the mails, directly or
5 indirectly:

6 (a) to employ any device, scheme, or artifice to defraud;

7 (b) to obtain money or property by means of any untrue statement of a
8 material fact or any omission of a material fact necessary in order to
9 make the statements made, in light of the circumstances under which
10 they were made, not misleading; or

11 (c) to engage in any transaction, practice, or course of business which
12 operates or would operate as a fraud or deceit upon the purchaser.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
14 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
15 binds the following who receive actual notice of this Judgment by personal service or
16 otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and
17 (b) other persons in active concert or participation with Defendant or with anyone
18 described in (a).

19 III.

20 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
21 Defendant Bartlett is permanently restrained and enjoined from violating Section 5 of
22 the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any
23 applicable exemption:

24 (a) Unless a registration statement is in effect as to a security, making use of
25 any means or instruments of transportation or communication in interstate commerce
26 or of the mails to sell such security through the use or medium of any prospectus or
27 otherwise;

28 (b) Unless a registration statement is in effect as to a security, carrying or

1 causing to be carried through the mails or in interstate commerce, by any means or
2 instruments of transportation, any such security for the purpose of sale or for delivery
3 after sale; or

4 (c) Making use of any means or instruments of transportation or
5 communication in interstate commerce or of the mails to offer to sell or offer to buy
6 through the use or medium of any prospectus or otherwise any security, unless a
7 registration statement has been filed with the Commission as to such security, or
8 while the registration statement is the subject of a refusal order or stop order or (prior
9 to the effective date of the registration statement) any public proceeding or
10 examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
12 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
13 binds the following who receive actual notice of this Final Judgment by personal
14 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
15 attorneys; and (b) other persons in active concert or participation with Defendant or
16 with anyone described in (a).

17 IV.

18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant to
19 Sections 21(d)(1) and 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(1) and (5)],
20 and Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], Defendant Bartlett is
21 permanently restrained and enjoined from directly or indirectly, including but not
22 limited to, through any entity owned or controlled by him, participating in the
23 issuance, purchase, offer, or sale of any security; provided, however, that such
24 injunction shall not prevent Bartlett from purchasing or selling securities for his own
25 personal account.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
27 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
28 binds the following who receive actual notice of this Final Judgment by personal

1 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
2 attorneys; and (b) other persons in active concert or participation with Defendant or
3 with anyone described in (a).

4 V.

5 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant
6 to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of
7 the Securities Act [15 U.S.C. § 77t(e)], Defendant Bartlett is prohibited from acting
8 as an officer or director of any issuer that has a class of securities registered pursuant
9 to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports
10 pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

11 VI.

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
13 Defendant is liable for: disgorgement of \$3,792,547.56, jointly and severally with
14 Defendant Scott A. Miller and Defendant Dynasty Toys, Inc.; disgorgement of
15 \$4,009,341.84, jointly and severally with Defendant Scott A. Miller and Defendant
16 The 7M eGroup Corp.; and disgorgement of \$2,028,150.28, jointly and severally with
17 Defendant Scott A. Miller and Defendant Concept Management Company, for a total
18 disgorgement amount of \$9,830,039.68, representing net profits gained as a result of
19 the conduct alleged in the Complaint, together with prejudgment interest thereon in
20 the amount of \$1,299,449.05, and a civil penalty in the amount of \$4,018,122
21 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section
22 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

23 Defendant shall satisfy this obligation by paying \$15,147,610.73 to the
24 Securities and Exchange Commission within 30 days after entry of this Final
25 Judgment. Defendant may transmit payment electronically to the Commission, which
26 will provide detailed ACH transfer/Fedwire instructions upon request. Payment may
27 also be made directly from a bank account via Pay.gov through the SEC website at
28 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified

1 check, bank cashier's check, or United States postal money order payable to the
2 Securities and Exchange Commission, which shall be delivered or mailed to

3 Enterprise Services Center

4 Accounts Receivable Branch

5 6500 South MacArthur Boulevard

6 Oklahoma City, OK 73169

7 and shall be accompanied by a letter identifying the case title, civil action number,
8 and name of this Court; Bartlett as a defendant in this action; and specifying that
9 payment is made pursuant to this Final Judgment.

10 Defendant shall simultaneously transmit photocopies of evidence of payment
11 and case identifying information to the Commission's counsel in this action. By
12 making this payment, Defendant relinquishes all legal and equitable right, title, and
13 interest in such funds and no part of the funds shall be returned to Defendant.

14 The Commission may enforce the Court's judgment for disgorgement and
15 prejudgment interest by using all collection procedures authorized by law, including,
16 but not limited to, moving for civil contempt at any time after 30 days following entry
17 of this Final Judgment.

18 The Commission may enforce the Court's judgment for penalties by the use of
19 all collection procedures authorized by law, including the Federal Debt Collection
20 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the
21 violation of any Court orders issued in this action. Defendant shall pay post
22 judgment interest on any amounts due after 30 days of the entry of this Final
23 Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds,
24 together with any interest and income earned thereon (collectively, the "Fund"),
25 pending further order of the Court.

26 The Commission may propose a plan to distribute the Fund subject to the
27 Court's approval. Such a plan may provide that the Fund shall be distributed
28 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of

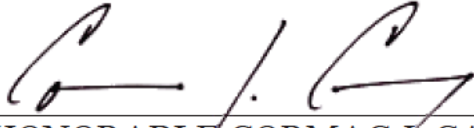
Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

VIII.

1 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith
2 and without further notice.

3 IT IS SO ORDERED.

4 Dated: September 19, 2023


HONORABLE CORMAC J. CARNEY
UNITED STATES DISTRICT JUDGE